App. F. IX-4

1935-6
(G.O.f)

File No. 80-35

Serial Nos. 1-3, 5-9

Previous References

G.O.A 28-35 (1-2)
G.O.A 7-35 (1-2)
4-34 (3, 4)

Letter References.

G.O.f 8-36 (1-2)
G.O.f 62-36 (1-2)
G.O.f 31-37 (1-2)
37-37-3, 4, 7, 11

Previous

GENERAL AND REVENUE SECRETARIAT.

Serial Nos.

Eight

I 28 (E)

Part B for Aug 36.

SUBJECT.

Contract with Messrs Ashghar Ali - Mahammad Ali

G 997 dt 4-A-36

WD 03607—GPB—22,500—2-8-35

Covers approval of Govt to the proposal made by Dr -3-37 in his letter dt 13-7-36

Serial No.

From the Dir. Agr.
No. 3115 Dated 16-5-36

To the report of Mr. Parthasarathi regarding Sandal oil market conditions in Karwar, Kumta and Bombay and recommend

1) that Messrs. Ashgar Ali Mohamed Ali's contract for 10,000 lbs be accepted at Rs. 10/8 per lb less 4 as per lb the usual rebate allowed to them.

2) that the agents Messrs. Lala Banarsidas Khetri & Beniram Moolchand may be given a rate of Rs 10/8 lb for less 4 as a lb commission for the quantity required by them for their own consumption.

3) that Rs. Sata Oil mills may be quoted Rs 10/12 per lb net delivery F.O.R. Bombay and request that he may be empowered to conclude contracts with purchasers of 1000 lbs. and above at prices ranging from Rs. 10/12 to Rs 11/8 lb. provided the purchasers guarantee that the oil is for their own consumption and not for trade.

4) As against the existing rate of Rs. 11/8 per lb., sanctioned in Fo No. D. 3220-21/BDE 28. 35-2 &

2

NOTE.—Contn. Sheet.

WD 03594—GPB—30,000—18-7-35

2

Contracts for the Disposal of Sandal oil

2

5-5-01-
5-5-29

S.D.F. File No. of 1935. | General and Revenue Secretariat

13-11-35, the Dir. recommends a reduced rate of Rs 10/8 to Messrs. Asghar Ali & Co. Ali's Contract for 10,000 lbs oil less 4 as a lb rebate and Rs 10/8 less 4 as common. the same rate to the Agents Messrs. Banarsidas Moolchand with and Rs 10/12 per lb to the Tata Oil Mills. net f.o.r Bombay

1 For the year Contract of Messrs. Asgar Ali from 1-3-35, a rate of Rs 11/4 per lb was granted in Sec No. D 1525/ for 7-35-2 & 7-9-35.

3 The question of continuance of the agency of Messrs. Lala Banarsidas Moolchand is being considered in the SDF File 5-5-35 Cited hereto. Khatri + Beniram for a further period of 3 years (D.-4889- Secretary)

4 Dept. f.o. sanctioning Under orders the proposal of the Dir. to reduce the rates to Rs 10/8 for Messrs Asgar Ali & Messrs Banarsidas Moolchand Beniram and to fix it at Rs 10/12 for Tatas Oil Mills is noted as personally instructed by the Secretary.

5 The chief point for empowering the Dir to conclude contracts for 1000 lbs and above at Rates ranging from Rs 10/12 to Rs 11/8 per lb. is for order

7588/19D

Kgj 18/5

Dir Secy 18.5.36

6 Please issue the desired letter file above received.

7 A Statement showing particulars of deliveries by Messrs Asghar Ali during the last 3 years is put up to Secretary

HW. 20.5.36.

HW. 20.5.36

5529-D.

Contracts for the disposal of Sandal Oil. 5-5-01 5-5-29 5-6-01

General and Revenue Secretariat. 50-7 File No. 80 of 1936 [App. F. III-2

2 Letter No. D. 7150 dt 20-5-36 To The Dir. S.O.T. conveys approval of Govt to the recommendation and as regards his suggestion that he may be empowered to conclude contracts at reduced prices, separate orders will be issued.

Memo No. D. 7151 dt 20.5.36 copy to Comptr. & Remarks with refce. to para 6. The repeal dtd. 21-5-36 of No. Parliamentary re sandal oil business, since rescd. is also subject thereto.

98 a/5 Dir Secy 21-5-36

9 The distillation at Kannauj was discontinued pursuant to the agreement beginning this year as it was found that it left us very little margin.

10 As the matter in the case fell in the Parliamentary Secretary's portfolio, Dr Parikh was sent to Bombay to study the market and submit a report. His recommendations were considered by the Committee at a meeting when the Dr Secy, the Financial Secretary & the Director were present.

11 It was found that with a slight reduction in price, we would obtain the custom of Messrs Bolyer who are one of your chief competitors and also secure the custom of Tata's who are manufacturing soaps on an about 2 lakhs.

12 Necessary orders have been issued for the same.

NOTE—Contn. Sheet.

13 MD 27-5-36

MW 28.5.36. 29.5.36

Contract with messrs Asghar ali mud. ali.

6154

File No. S.D.7. BD of 193 6 — General and Revenue Secretariat

Letter no. 3308 dated 16th June 1936 from the Dir. S.D.F. stating that messrs Asghar Ali mohamed Ali have expressed a desire to enter into a three year contract at the rate of 10000 lbs plus 6000 lbs optional quantity per annum, with the benefits of the fall clause, and soliciting the views of Govt. in the matter.

2. In para 2 of his letter dated 16th May 1936, the Dir. requested that he may be empowered to conclude contracts with purchasers of 1000 lbs and above at prices ranging from Rs. 1-0-12-0 to Rs. 11-8-0. Orders are solicited on this recommendations of the Director. A

vide Sl. 2 ante

3. It is also for orders whether the Dir. may be asked to accept the offer of messrs Asghar Ali to enter into a three-year contract, with the benefits of the fall clause but without the condition of payment of higher rates in case the price of oil is raised. B

p. 4 d.

Sd. 26.6.36

1b A- For orders. The Dir has not explained why he wants to be empowered like this. It seems desirable to first sanction and be

Contract with Messrs Ashgar Ali Mohamed Ali

General & Revenue Secretariat. 807 | File No. 80 of 1935. | [App. F. III–2

Serial No.

obtained in such cases.

B – For orders – In view of what the firm say in regard to payment of higher prices in case the price of sandal oil is raised it may not be desirable to enter into a three-year contract as proposed.

27/6/36

(Secy: Secy)

8608/36

17) 10,000 lbs Lycetic with 6000 lbs. of Linal type accepted for one year, the quality being examined at time of supply.

Secretariat

2.7.36.

2.7.36

18 Secy

3/7/36.

3.7.

3.7.36

19 Draft Order – Orders are solicited regarding point raised at paras 14 & 16.

16-4-7-36

Secy

6.7.36

20

8.7.36.

21 Issue

8.7.36.

OFFICE OF THE SECOND MEMBER OF COUNCIL. 2 JULY 1936 28

157 TYPING SECTION 2 JUL 1936 GENL & REV. SECTT.

NOTE—Contn. Sheet.

Contract with Messrs Asghanali md. Ali.

6 6154

S.O.F. File No. 80 393 of 1935. General and Revenue Secretariat

Letter No. D. 285 Dt 13.7.36 To The Dir. S.O.F.

States that the contract may be accepted for one year for the present the rate per lb being Rs. 10-8-0 less 4 annas a lb the usual rebate

Memo No. D. 286 Dt 13.7.36 copy to compt

Letter no. 155 Dt 20.7.36 from the Dir. S.O.F. urging that messrs Asbagan Ali and Ali Ahmed be given the benefit of the 7 days clause as they have been long standing customers and in this case deserves special treatment.

22 Subd for orders - vide addition to the draft of letter Dt 13.7.36. 7 pl. 6

Ag. 22.7.36) 23 Is further action necessary? Ag 22.7.36

24 Orders are solicited whether or not the Agents should be given the benefit of the 7 days clause. The Dir. recommends the grant of the concession as in the case of the Tata oil mills etc.

Dt 24.7.36) Pl. 8-9-0 of.

D. 23-36 S.O. 8.0.35 S.

25/7 25) Dir (Secy) Ag 28.7.36

26) There is no likelihood of prices falling further and we may agree to the recommendation. MM. 27.7.36. Secy. 28.7.36

27) Mr 30/7/36.

28) As suggested Issue Ag 1.8.36 Ag 30.7.36 Secy. 31.7.36

CENT. & PROV. SECRETARIES 19 JULY 1936 DEVELOPMENT BRANCH

OFFICE OF THE SECOND MEMBER OF COUNCIL. 28 JULY 1936 NO. 716

TYPING SECTION. 1 AUG. 1936 DEVEL. BRANCH

General and Revenue Secretariat S.O.7. File No. 61 of 1935.

Serial No.	
4	Letter No D.997 Dt 4-8-36 To The Dir. S.O.2. Conveys approval to the proposal. Memo No D.998 Dt 4-8-36 To copy to Compt.

REVENUE SECRETARIAT
11-8-36
12 AUG. 1936
DEVELOPMENT BRANCH

NOTE—Contn. Sheet.

WD 70—GBPM—60,000—13-8-31.

Tel. Address: "Sandal" Bangalore,

SANDALWOOD OIL FACTORY,

Bangalore, 16th May, 193 6.

No. 3115-1.

Confidential.

FROM

S. ABDUL WAJID ESQ., B.A.,

Director, Sandalwood Oil Factory,
Bangalore.

To

M. VENKATANARANAPPA ESQ., B.A.,
Secretary to Government of Mysore,
Development Department, Bangalore.

S i r,

I have the honour to enclose herewith report of Mr. K. Parthasarathi, regarding market conditions in Kanauj, Lucknow and Bombay with regard to Sandalwood Oil. From the information furnished by Mr. Parthasarathi, I consider it desirable for the present to reduce the rate in favour of our big consumers. I recommend that Messrs. Asghar Ali Mohamed Ali's contract for 10,000 lbs be accepted at Rs 10/8 per lb less 4 annas per lb the usual rebate allowed to them. Our Agents, Messrs. Lala Banarsidas Khettri and Beniram Moolchand may be given a rate of Rs 10/8 per lb less 4 annas a lb commission for the quantity required by them for their own consumption. As regards Tata Oil Mills, I recommende that they may be quoted Rs 10/12 per lb net delivery f.o.r. Bombay, since the price of oil offered by Messrs. Sorabjee Nowrojee is Rs 10/8 per lb and the Mysore Factory Oil can reasonably expect to get a premium of about 4 annas a lb in the marke

2 In this connection I may also be empowered to conclude contracts with purchasers of 1,000 lbs and above at prices ranging from Rs 10/12 to Rs 11/8 per lb provided the purchasers guarantee that the oil is for their own consumption and not for sale.

3 I am not sure whether the information of Mr. Parthasarathi about the 1,000 tons of private wood being available is accurate. I shall consult the Chief Conservator of Forests about it. There may be a little more wood in the market from the Jaghirs of Yelandur and

Sringeri as I do not propose to buy it for Government

I have the honour to be,

S i r,

Your most obedient servant,

Director.

5 16th May, 1936.

The Director,

Sandalwood Oil Factory in Mysore,

Bangalore.

S i r,

Subject:- Deputation to Bombay, Kanauj and Lucknow.

I have the honour to state as follows:-

The annual business in Sandalwood Oil in Kanauj and Lucknow is estimated to be about 40,000 lbs of which 35,000 lbs is for consumption and 5,000 lbs is for retail sales. Messrs. Asghar Ali Mohamed Ali are the biggest consumers. Our Agents, Messrs. Lala Banarsidas Khettri and Beniram Moolchand come next. These two firms together consume about 8,000 lbs of oil. There are few firms who consume about 1500 to 2,000 lbs each and several others who consume less than 1,000 lbs each.

The Mysore Government Factory has to compete with the following firms in this market:-

(1) Messrs. Mathura Prasad Suraj Prasad.

(2) Messrs. Gordhandas Tokersay.

(3) The two Kuppam Factories.

(4) Messrs. Sorabjee Nowrojee.

These firms get their supply of Sandalwood at the annual auction sales of Madras and Coorg and also from Belgaum and Dharwar, districts of the Bombay Presidency. good deal of private Sandalwood is also available for them. It is learnt that in the Salem District of the Madras Presidency, about 300 tons of private Sandalwood can be obtained annually. Private Sandalwood called Navajilla is available in Sandur, Bijapur and Sirsi Districts and that called Desi Sandalwood in Bhopal, Ujjain, Indore, Marwar and Narsinghar. It is estimated that the total

quantity of private Sandalwood available from all the sources is to the extent of about 1,000 tons. The most important purchasers of Sandalwood are the above four firms. There is another firm by name, Messrs. A.K. Barucha who deal only in small quantities but they do not distil any oil. It is learnt that all these firms form a combine while attending the Madras and Coorg Auction Sales and settle before hand the limit up to which they could bid at the auctions. Messrs. Mathura Prasad Surajprasad, this year, have not purchased any wood directly since they got into an understanding with Messrs. Gordhandas Tokersay for 70 tons.

From the information I could gather, I learnt that Messrs. Mathura Prasad Suraj Prasad and Gordhandas Tokersay together propose to distil about 20,000 lbs of oil, Messrs. Sorabjee Nowrojee 30,000 lbs and the Kuppam Factories 25,000 lbs.

Messrs. Mathura Prasad Suraj Prasad are working their Factory in full swing and so far they have distilled about 70 tons and have sold 5,000 lbs in Kanauj during the Rose season, i.e., February, March and April, and have despatched 2,500 lbs of oil to Bombay and exported 1,000 lbs of oil to France. It is also learnt that they have sold about 1,000 lbs of oil to Messrs. Asghar Ali Mohamed Ali at Rs 24/- per Kanauj seer which works out to about Rs 10-3-0 per lb. The oil distilled by Messrs. Mathura Prasad has been certified as very good oil by Dr. K.R. Krishnaswami of the Indian Institute of Science and Messrs. Mathura Prasad are playing this certificate as their trump card in effecting sales in competition with Mysore Government Oil.

Messrs. Sorabjee Nowrojee have not been supplying much to the Kanauj market. It is learnt that they are selling in Bombay at Rs 10/8 per lb to local consumers and export both to France and England and they are also trying to export to Japan.

Messrs. Gordhandas Tokersay chiefly export Bhatti Oil at a higher price, i.e., about Rs 12/8 to Rs 13/- per lb to Port Sudan, Egypt, Persia and Arabia. On account of the poor yield

in Bhatti distillation, Messrs. Gordhandas Tokersay it is understood, blend Bhatti Oil with steam distilled oil and export it to the above countries. I also learnt that Messrs. Gordhandas Tokersay were not quite in favour of getting their wood distilled in Kanauj by Messrs. Mathura Prasad Suraj Prasad since they preferred to sell Sandalwood as such, but on account of the persuasion of Messrs. Mathura Prasad Suraj Prasad they have agreed to get their wood distilled for the Kanauj market. Apparently, Messrs. Mathura Prasad Suraj Prasad in their self-interest of Keeping Their Factory at work have entered into this arrangement with Messrs. Gordhandas Tokersay and incidentally have been selling their oil in competition with Mysore Government Oil.

I also learnt in Kanauj that Messrs. Mathura Prasad Suraj Prasad and Gordhandas Tokersay on the one hand and the two Kuppam Factories on the other, have combined to effect sales in competition with Mysore Government on a quota basis in the proportion of fifty-fifty. It is significant that our rivals have appointed certain important firms of consumers as their Agents thereby cutting off a portion of our custom in Kanauj. Messrs. Naraindas Devi Prasad and Mannulal Chandrabali who together consume about 4,000 to 5,000 lbs of oil annually are the Agents of Kuppam Factories. Messrs. Debi Prasad Sunderlal who take about 2,000 lbs are the Agents of Messrs. Sorabjee Nowrojee.

Our rivals have been offering Sandalwood Oil at prices varying from Rs 25/- to Rs 26/8 per Kanauj seer, allowing varying rebates according to the quamtity purchased. Mr. Mathura Prasad told me that he has been selling oil only at Rs 26/14 per Kanauj seer against the schedule rate of Rs 27/2 for Mysore Government Oil. But my enquiries in this direction prove that Mr. Mathura Prasad was not giving out the truth. He has been selling oil to both big and small consumers at prices varying from Rs 25/- to Rs 26/8 per Kanauj seer, but passing on receipts only at Rs 26/14 just to keep outside people ignorant of the actual price at which he is selling the oil.

Our Agents have not been able to sell Government Oil in Kanauj as the purchasers refuse to pay nearly Rs 2/- per seer

higher for Mysore Government Oil. If the price factor had been favourable, they could have sold about 3,000 to 4,000 lbs during the Rose season which has just closed. They, who are big consumers themselves, complain that being Mysore Government Agents they are prevented from purchasing rival oils even though they are offered at a price of about Rs 2/- less per Kanauj seer. This position of theirs, they represent is quite embarrassing to them, since even after sacrificing their remuneration of 4 annas per lb their purchases from us would be costlier than what other competing firms are able to obtain, with the result that they would find it very difficult to compete with other firms in their finished products.

There is no doubt the Mysore Government Oil has a premium in the market, not because on account of the superior quality of the oil - though the competing oils also satisfy the British Pharmacopoeian standards - but on account of the guarantee the consumers have about the genuineness of the quality and reliability of the supply. They have the assurance that the oil could be purchased without any test whatsoever, whereas in the case of private firms even though the quality of oil is quite genuine, there is a suspicion in their minds about its purity unless they get it analysed themselves. Messrs. Asghar Ali Mohamed Ali told me that it is on account of this fact that they would like to have permanent connections with the Mysore Government Factory as otherwise they will have to get every batch of oil that they receive analysed at the Indian Institute of Science before accepting it. On account of the guarantee that our oil has, the consumers are prepared to pay in Kanauj about 4 annas per Kanauj seer more than what they would pay for other oils.

I spent a full day in the distillery of Messrs. Mathura Prasad Suraj Prasad. From the information I could gather about the working costs, I make out that the cost price of oil of our rivals is estimated to work out between Rs 9/- to Rs 9.5. Coal is available in Kanauj at Rs 15/- to Rs 16/- per ton ex-Factory, and

the highest paid workman in the above factory gets only Rs 13/-. Mr. Murlidhar, son of Mr. Mathura Prasad, manages the whole Factory. From my observations and the details I obtained, the cost of distillation per ton of wood would not be more than Rs 160/- to Rs 175/-. From the talk that I had with Mr. Sorabjee in Bombay, I infer that his cost of distillation was also about Rs 175/- per ton. On the basis of the average rates realised at the Madras and Coorg Auction Sales, the price of oil would be as follows:-

Roots.

Cost of wood	...	Rs 880/- per ton.
Driage in Transit	...	Rs 15/- per ton.
Transport and packing	..	Rs 140/- per ton.
Distillation including interest and depreciation charges	...	Rs 200/- per ton.
		Rs 1235/-
Yield per ton of roots	...	135 lbs.
Therefore cost price per lb of oil	...	Rs 9/-

Jajpokal.	...	Rs 791/-
Total expenditure as above	...	Rs 355/-
		Rs 1146/-
Yield	...	125 lbs per ton.
Cost price	...	Rs 9.2

In view of the fact that there has been a considerable disparity in price between Mysore Government Oil and other oils, I beg to suggest that it is necessary to reduce our price at least for big consumers so that we could retain their custom and goodwill. Messrs. Asghar Ali Mohamed Ali take about 10,000 lbs and Messrs. Lala Banarsidas Khettri and Beniram Moolchand take about 8,000 lbs, and from the conversation I had with Dr. Kamath, Chief Chemist of Tata & Sons, I find that they are likely to consume about 4,000 lbs to 5,000 lbs. Dr. Kamath told me that his principals are prepared to enter into a contract if a concession in price is shown to them. Messrs. Mysore Products, our Agents in Bombay, told me that if the price of oil is reduced to Rs 10/8 per lb - the level of price of Messrs. Sorabjee - they would be able to effect a sale of 7,500 lbs in one year which quantity includes the requirements of Messrs. Tata

v

Oil Mills. It is therefore seen that we could get a sale of about 25,000 lbs provided the price of Government Oil is reduced. There is not much harm in selling this quantity as it is purely for consumption in India and not for export. I am of opinion that big consumers in India should also be treated similar to Messrs. Colgates, Lever Bros and Astiers by a special concession in rates.

I have the honour to be,

S i r;

Your most obedient servant,

K Parthasarathi

MG)

GOVERNMENT OF MYSORE

SANDALWOOD OIL FACTORY,

ADDRESS FOR TELEGRAMS:
SANDAL
BANGALORE

CODE USED: "BENTLEY'S"

Bangalore, 16th May, 1936

No. 3113
Enc. 2.

REVENUE & REV. SECTT.
19 MAY 1936
DEVELOPMENT DEPT.

Dear Mr. Venkatanaranappa,

I herein enclose for the information of Government a statement showing the particulars of deliveries etc. to Messrs. Asghar Ali Mohamed Ali for the last three years.

Yours sincerely,

M. Venkatanaranappa Esq., B.A.,
Secretary to Government,
Development Department,
Bangalore.

MG)

Statement of contracts of Messrs. Asghar Ali Mohamed Ali, Lucknow, and purchases made against each contract.

Contracted Quantity.	Period of Contract.	Rate.	Quantity Delivered.	Quantity not drawn.	Net rate realised.	
1933-34:					Gross.	Net.
Balance quantity of previous contract. 6,800 lbs	12 months from March 33.	Rs 29-4 a seer.	lbs 6,400	400 lbs	Rs 12.6.5	Rs 8.11.10 per lb (packed oil).
Optional: 4,000 "				4,000 optional.		
2). 10,000 lbs Optl. 4,000 "	9.2.34 to 31.3.35	* Rs 12.6.5 a lb & 28/13/- a seer.	3,400 srs or lbs 8,021	1,979 Cont. 4,000 Optl.	Rs 21/9/- a seer or Rs 9.2.3 per lb.	Rs 5. 5. 7 per lb (loose oil).
3). 10,000 lbs. Optl. 4,000 "	1.3.35 to 31.3.36	Rs 11/4/- per lb or Rs 20/7/6 Kaday ~~Kg~~. seer.	4,640 srs. or lbs 10,945 2,100 fy. delivery.	955 Optl.	Rs 8.10. 7 per lb & Rs 11/4 a lb.	Rs 4.15. 1 per lb (loose oil) Rs 7. 0. 2 fy. delivery.

* Rs 23/- per sr from May '34
  Rs 21/9 per sr from June 34

** After deducting charges for distillation, transportation, salaries, etc.

Bangalore) 16-5-1936.

Director,
Sandalwood Oil Factory.

Statement showing monthly deliveries.

1933.		1934:			1935:				
1. July	800 lbs		May.	340 srs.		March	840 srs.		
Aug.	800 "		June	340 "		April	815 "		
Septr.	800 "		July	402 " 8 chks.		May	565 "		
Octr.	800 "		Aug.	277 " 8 "		June	340 "		
Novr.	800 "		Septr.	340 "		July	340 "		
Decr.	800 "		Octr.	340 "		August	340 "		
1934: Jany.	800 "		Novr.	340 "		Septr.	340 "		
Febry.	800 "		Decr.	340 "		Octr.	340 "		
		1935:	Jany.	340 "		Novr.	340 "		lbs
			Febry.	340 "		Decr.	680 "	4640 srs. or	10,945.
Total:	6400 lbs			3,400 srs or 8,021 lbs.	1936:	Febry	1300 lbs		
						March	800 "		
							2100 "		2,100
Grand Total:--	6,400 lbs			8,021 lbs.			...		13,045

K. Sattiasaulu

Director,
Sandalwood Oil Factory.

Bangalore -MG) 16-5-1936.

12

Appendix F G—1]

SUBJECT.....

.....

.....

Section S.D.7.

File No. 80-35

Serial No. 2

Diary No. of letter replied to.....

No. D. 7150

To

The Director, S.D.F.

Sir,

With refce. to your letter no 3115 of 16th May '36 forwarding a report of work done by Mr. K. Bancharanaiah in Kanara, Bombay and Lucknow in regard to Sandal oil business in these areas and proposing the reduction in price of oil in the case of some customers as noted in his margin, I am directed to convey the approval of Govt. to your recommendations.

It rejoices Govt. your suggestion that you may be empowered to

General and Revenue Secretariat

( )

the 193 .

Date of issue 20.5.36

Signed by Mr. K Subba Rao

1) Contract of messrs Asghar Ali and Bhi. for 10, may be @ Rs.-10-8-0 per lb less 0-4-0 annas with the usual rebate

2) Messrs Lala Banarsidas Khetsi Hoshi Ram Mohd. Chand to be given a rate of Rs.-11-0-0 a lb less 0-4-0 a lb

List of enclosures.....

Commission for the Bombay region required for their own consumption

Copied by .....

3) Messrs Tata Oil Mills of Bombay to be given @ Rs.-11-12-0 per lb net ex Bombay

Examined by.....

WD 03601—GPB—30,000—23-9-35

(3

Conclude Contracts with purchasers of 1000 lbs and above at prices ranging from Rs. 60-12-0 per lb to Rs. 60-11-0 per lb. Separate orders will be issued.

Dharma 4

MW

D/1st 20.5.36 — by D Secy. 19.5.36

Com & Comptr.

Bso.

MW.

by D Secy. 19.5.36

14

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

No. D. 7150.

Dated, Bangalore, 20th May 1936

From

The *Secretary to the Government of His Highness the Maharaja of Mysore, Development Department.*

To

The Director of Sandalwood Oil Factory in Mysore,

Bangalore.

Sir,

With reference to your letter No.3115 dated 16th May 1936 submitting a report of work done by Mr.K.Parthasarathi in Kanauj, Bombay and Lucknow in regard to sandal oil business in these areas and proposing the reduction in price of oil in the case of some customers as noted in the margin, I am directed to convey the approval of Government to your recommendations.

1. Contract of Messrs.Asghar Ali Mohamed Ali for 10,000 lbs. @ Rs.10-8-0 less 4 annas a lb; the usual rebate.
2. Messrs.Lala Banarsidas KHettri and Beniram Moolchand to be given a rate of Rs.10-8-0 a lb less 0-4-0 a lb.commission for the quantity required for them their own consumption.
3. Messrs. Tata Oil Mills of Bombay to be quoted at Rs.10-12-0 per lb.nett delivery f.o.r. Bombay.

As regards your suggestions that you may be empowered to conclude contracts with purchasers of 1000 lbs and above ~~of~~ at prices ranging from Rs.10-12-0 per lb. to Rs.11-8-0 per lb. separate orders will be issued.

I have the honour to be,
Sir,
Your most obedient servant,

Sd. M.Venkatanaranappa.
Secretary to Government,
Development Department.

Memo No. D. 7157 Dated, Bangalore, the 20th May 1936.

Copy of the above is forwarded with compliments to the Comptroller to the Government of Mysore.

By order,

For Secretary to Government,
Development Department.

ks

m:.3

Tel. Address: "Sandal" Bangalore.

SANDALWOOD OIL FACTORY,

Bangalore, 19th May, 1936.

No. 3136

FROM

S. ABDUL WAJID ESQ., B.A.,
Director, Sandalwood Oil Factory,
Bangalore.

To

M. VENKATANARANAPPA ESQ., B.A.,
Secretary to the Government of Mysore,
Development Department, Bangalore.

S i r,

I have the honour to forward herewith copy of a Report submitted by Mr. Parthasarathi, as per your instructions to him regarding the Sandalwood business in Bombay.

I have the honour to be,

S i r,

Your most obedient servant,

Director.

MG)

16

Bangalore, 19th May, 1936.

The Director,

Sandalwood Oil Factory in Mysore,

Bangalore.

Enclosure 5 SOF. 33 35-1

S i r,

D.5501-35 Further to my report dated 16th May 1936, regarding Sandalwood Oil business, I have the honour to submit herewith a brief report about the market conditions in Bombay with regard to Sandalwood.

Bombay is practically the centre of Sandalwood trade in India. The annual business turnover in Sandalwood is estimated at 8 to 9 Lakhs of Rupees excluding foreign exports, which means about 700 to 800 tons of Sandalwood are consumed in India for domestic and religious purposes. Sandalwood is also imported into India to the extent of 200 tons to 300 tons. I was given to understand that Messrs. Sorabjee Nowrojee are sole importers of West Australian Sandalwood. A small quantity is also said to be imported from South Africa.

Messrs. Sorabjee Nowrojee and Gordhandas Tokersay are the oldest firms established in this line. They have a standing of over 35 to 40 years. Messrs. A.K. Barucha are another firm which do business in this line but their turnover is small compared to that of the above two firms. Messrs. Sorabjee Nowrojee and Gordhandas Tokersay are very much upset about the activities of Messrs. Mysore Products, our agents for the sale of Mysore Government Sandalwood in Bombay. I understand that they have threatened to withdraw credit facilities to the dealers if they handled Mysore wood. A standing credit of about Rs 4,000 to Rs 5,000/- is extended by these firms to each of the dealers. Both these firms are anxious to cut Messrs. Mysore Products off the field and secure for themselves the business in Mysore wood. They showed their keen anxiety to buy Mysore wood

if it could be had. They are also distillers themselves. Messrs. Sorabjee Nowrojee have a distillation plant in Bombay. Messrs. Gordhandas Tokersay have one in Mangalore for Bhatti Oil and for steam distilled oil they have secured the services of Messrs. Mathura Prasad Suraj Prasad, Kanauj.

At the time of my enquiry, the following were the ruling prices of various classes of Sandalwood:-

Classes:-	Rate per Khandi i.e., 21 grs. and 3 lbs.		Rate per ton of 2240 lbs.
China Budh, Vilayat Budh and Panjam	Rs 290/-	equivalent to	Rs 1,100/-
Ghat Badala	Rs 275/-	"	Rs 1,042/-
Jajpokal	Rs 260/-	"	Rs 985/-
Ain Cheria.	Rs 235/-	"	Rs 890/-
Ain Chilta.	Rs 200/-	"	Rs 758/-

It will be observed that the market rate for China Budh, Vilayat Budh and Panjam classes is Rs 68/- extra over the rate for Ghatbadala and the difference in rates between Ghatbadala and Jajpokal is about Rs 57/-.

The colour and dressing of Sandalwood play an important part in the market. While Jains prefer yellow Sandalwood (paler the better), the Parsees are very particular about the colour being red. Since China Budh and Panjam are mostly sold to Jains only yellow colour pieces are required in these classes. The other classes required by Parsees should be of red colour. Messrs. Mysore Products represented to me that the dressing of billets as done in the koties here was not adequate. In their godowns at Khand Bazaar they had arranged to re-dress Ghatbadala pieces by engaging a carpenter to give the billets a better polished surface. The ends also had to be sawn with a hand-saw, not only to get billets of required length but also to give the ends a finished appearance. The percentage of scraps and chips resulting from this operation of re-dressing varies with the condition of dressing

as done in the koties and is estimated at 7% to 10%. The market price for Dust is about Rs 120/- per Khandi and Chips about Rs 150/- per Khandi. Messrs. Sorabjee Nowrojee and Gordhandas Tokersay who get these scraps and chips during preparation use them for distillation and get the full value of the class for which they pay for.

Messrs. Mysore Products have two godowns - one at Princess Street, Bombay, and another at Khand Bazaar. They represented to me that in view of the fact that Messrs. Sorabjee Nowrojee and Gordhandas Tokersay have the advantage of mixing up Madras and Coorg wood with cheaper Navajilla and Desi wood and of utilising the scraps and chips resulting from dressing for distillation, they must be given an encouragement by Government in the matte of rates in order that they may be in a position to successfully compete with these two established firms. They say, that if they are given free delivery in Bombay at rates realised at the Madras and Coorg Auction Sales, they would be in a position to sell about 200 tons annually in the Bombay market and take care to see that no Mysore wood gets into the hands of the distillers.

I have the honour to be,

S i r,

Your most obedient servant,

Vaithasanlu

Assistant Director.

S.O.F.80-35-3

Tel. Address: "Sandal" Bangalore.

No. 3308
2.

SANDALWOOD OIL FACTORY,

Bangalore, 16th June, 193.6

6154

GEN. SECRETARIAT
17 JUNE 1936
DEVELOPMENT BRANCH

FROM

S. ABDUL WAJID ESQ., B.A.,

Director, Sandalwood Oil Factory,

Bangalore.

To

M. VENKATANARANAPPA ESQ., B.A.,

Secretary to the Government of Mysore,

Development Department, Bangalore.

S i r,

I have the honour to invite your kind reference to your letter No.D.7150/S.O.F. 80-35-2 dated the 20th May 1936, approving of the rate of Rs 10/8 per lb less 4 annas special rebate to Messrs. Asghar Ali Mohamed Ali. The firm was intimated of the decision by Government and in reply they wrote in their letter dated the 26th May 1936, (copy enclosed) expressing a desire to enter into a three year contract at the rate of 10,000 lbs plus 6,000 lbs optional quantity per annum. A copy of their terms of contract is also enclosed for kind perusal by Government.

In Clause 2 they claim the benefit of any reduction in rate during the period of their contract. I asked them whether they are agreeable to give us the benefit of any rise in price during the period of their contract and they say they will not accept this. I request you kindly to let me know the views of Government in the matter of our committing ourselves for a period of three years. The advantage is, if we accept the offer, that business to the extent of a third of our output for India will be assured.

I have the honour to be,

Sir,

Your most obedient servant,

Abdul Wajid.

Director.

MG)

Copy of letter No.315 dated 26th May 1936, from Messrs. Asghar Ali Mohamed Ali, Perfumers, Lucknow, to the Director, Sandalwood Oil Factory, Bangalore.

We beg to acknowledge with thanks your letter No.3158 dated 21st May 1936, in reply we beg to state the following:-

We shall now require about 16,000 pounds of Sandalwood Oil per year, 10,000 pounds plus 6,000 pounds optional. We shall be requiring about a thousand pounds of oil per month for which we shall instruct you in due course.

Please note that we wish to enter into contract with you for a period of at least 3 years commencing from June 1936.

We are sure you must have received our telegram and our letter No.305 dated 23rd May 1936, and will arrange to despatch the first consignment of our thousand pounds on the 1st of June 1936.

We are herewith sending you a draft terms of contract for your perusal and approval.

K Parthasarathy

Director,
Sandalwood Oil Factory.

2

Lucknow.

26-5-1936.

DRAFT TERMS OF CONTRACT.

We agree to purchase from you 10,000 lbs together with an optional quantity of 6,000 lbs of Sandalwood Oil B.P. Standard quality on the following terms and conditions.

1. The price of the packed oil, f.o.r. Lucknow, Berhampore, Ichiporum, Rati-ka-Nagle or any other station we intimate to you during the period of our contract, will be Rs 10/8/0 per lb (official rate) less -/4/- per lb as rebate i.e., Rs 10/4/- a lb net from Bangalore.

2. We shall get the full benefit of any reduction in the prices if the Government Factory does it, of their own accord, the price of the packed oil under contract will be further reduced for us from such reduced price by four annas per pound as the rebate agreed upon as mentioned above.

3. The period of this contract will be for three years commencing from the 1st June 1936 to 31 st May 1939.

4. We agree to pay in advance Rs 200/- as an earnest money. (This amount of Rs 200/- is already with you with respect to our last contract, which please transfer to our this contract).

K Parthasarathy

Director,
Sandalwood Oil Factory.

S.O.F. 80-35-5

Tel. Address: "Sandal" Bangalore.

No. 3H00.

SANDALWOOD OIL FACTORY,

Bangalore, 30th June, 1936.

DEV. & REV. SECRETARIAT
1 JULY 1936
DEVELOPMENT BRANCH

FROM

S. ABDUL WAJID ESQ., B.A.,
Director, Sandalwood Oil Factory,
Bangalore.

To

M. VENKATANARANAPPA ESQ., B.A.,
Secretary to the Government of Mysore,
Development Department, Bangalore.

Dev. 5501/6154

Sir,

I have the honour to invite your kind reference to Government Order No.D.7150/S.O.F. 80-35-2 dated 20th May 1936, sanctioning the rate of Rs 10-12-0 per lb to Messrs. Tata Oil Mills of Bombay. The firm expressed their idea of contracting only for the purchase of 3,000 lbs instead of 4,000 to 5,000 lbs originally anticipated. Hence the said contract was concluded at Rs 11/- per lb f.o.r. Bombay.

In their letter dated the 24th June 1936, they have requested me to allow reduction in their contract price should we reduce our general rate of Rs 11-8-0 per lb. I considered their claim as legitimate and have acceded to their request. I request you kindly to obtain approval of Government to my action.

I have the honour to be,

Sir,

Your most obedient servant,

abdulwajid.

Director.

OFFICE OF THE SECOND MEMBER OF COUNCIL.
9 JULY 1936
No. 240

TYPING SECTION
14 JUL 1936
GENL. & REV. SECTT.

1) Submit for orders with a draft
Ld. 4.7.36.

2) Has the general rate been reduced?

3) Submitted.
Rs. 6/7/36

4) Draft seen
Ly.
6.7.36

Seen
8.7.36.

Issued
Ly. 13.7.36.

19.0
7/7/36 Sl.7) Letter No.D.388 & 17-7-36 To Jt Dir. S.O.F.
Approves of the action taken by him.
Memo No.D.388 & 12-7-36 copy to Comptr.

11/7/36

Appendix F G—1]

23

SUBJECT.....

.....

.....

Section S.D.F.

File No. S.D.35.

Serial No. 6

Diary No. of letter replied to.....

No. D. 285 S 13/7/36

To

General and Revenue Secretariat

( )

the *193*

The Director of S.D.F.

Sir,

Date of issue 13-7-36

Signed by M.S. Rao

With reference to your letter no 3308 dated 16.6.36 stating that Messrs Asghar Ali Mahomed Ali have expressed a desire to enter into a three-year contract for the purchase of S. oil at the rate of 10000 lb plus 6000 lb optional p.a., with the benefits of the fall clause, and soliciting the views of Govt. in the matter, I am directed to state that the

List of enclosures.....

This is subject to appt.

Copied by .....

10/7

Examined by.....

Contract may be accepted
for one year for the present
the rate per lb per tin being
Rs. 10-8-0 less four annas
a lb, the usual rebate as
stated in Letter nos 715-D S.D.F.
8-D-35-2 dated 20-5-36. Note paid is only one year the
quoting charge & fabrication does
I think not. invoice

MW.

No. 286 H-13/7/36 Dy 6.7.36
Copy to Comptroller in Confirmation of memo no 0.7/57
S.D.F. 8-D-35-2 H 20-5-36

Rd

MW.

Dy
6.7.36

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

No.D.285
SOF 80-35-6

Dated, Bangalore, 10th July *1936.*
13

From

The *Secretary to the Government of His Highness the Maharaja of Mysore,*
Development Department.

To

The Director,
Sandal Oil Factory, Bangalore.

Sir,

With reference to your letter No.3308 dated 16th June 1936 stating that Messrs.Asghar Ali Mahomed Ali have expressed a desire to enter into a three year contract for the purchase of Sandal Oil at the rate of 10,000 lbs plus 6,000 lbs optional per annum, with the benefits of the full xxx clause, and soliciting the views of Government in the matter, I am directed to state that the contract may be accepted for one year for the present, the rate per lb of oil being Rs. 10-8-0 less four annas a lb, the usual rebate, as stated in letter No.7150 S.O.F.80-35-2 dated 20th May 1936. As the period is only one year the question of having a full clause does not arise.

I have the honor to be,

Sir,

Your most obedient servant,

Sd/- M.Venkatanarayanappa.

For Secretary to Government
Development Department.

c.n.3

Memo No. 285 D 13/7/36

Copy of the above is forwarded with compliments to the Comptroller to Government in continuation of Memo. No.D.7151/S.O.F.80-35-2 dated 20th May 1936.

By Order,

For Secretary to Government
Development Department.

KSI

Appendix F G—1]

9 1/2

SUBJECT.....

.....

.....

Section S.O.7.

File No. 80-35

Serial No. 7

Diary No. of letter replied to.....

No. D 88-9 17/7/36

To

General and Revenue Secretariat

( )

the *193* .

The Director S.O.S.

Sir

Date of issue 17.7.36

With refer. to your letter no. 3400 dated 20th June 1936 stating that as messrs Tata desired Mill Mills of Bombay expressed their idea of Contracting only by Contract for the purchase of 3000 lbs of S. oil instead of 4000 lbs as originally anticipated, the said Contract was concluded @ Rs. 11/- per ton f.o.r. Bombay as against Rs. 10-12-0 per ton referred to in this office letter no. 19-718 D S.O.S. 80-35-28 dated 20th

Signed by W. N. Rao

List of enclosures.....

Copied by WB 3/15/7/36

Examined by.....

and adding that Govt have acceded to the request of the firm to allow a reduction in their contract price in case the general rate of Rs. 11-8-0 per ton is reduced. I am directed to convey the approval of Govt to the action taken by you in the matter

I have &c

Sd/-

for Secy

No.D.385 dt.17/7/26

6.7.26

Copy to Comptroller & Controller

Memo.No.D.1151 S.O.F.80-35-28 20.5.26

2 D

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

No. D. 385
80F-80-35-7

Dated, Bangalore, ~~15th July~~ 15 1936

From

The *Secretary to the Government of His Highness the Maharaja of Mysore, Development Department.*

To

The Director of Sandalwood Oil Factory in Mysore,

Bangalore.

Sir,

With reference to your letter No.3400 dated 30th June 1936 stating that as Messrs. Tata Oil Mills of Bombay desired to contract for the purchase of 3000 lbs of Sandalwood Oil only instead of 4000 to 5000 lbs originally anticipated, the said contract was concluded at Rs.11/- per lb. f.o.r. Bombay as against Rs.10-12-0 per lb referred to in this office letter No.L.7150/S.O.F.80-35-2 dated 20th May 1936 and adding that you have acceded to the request of the firm to allow a reduction in their contract price in case the general rate of Rs.11-8-0 per lb is reduced, I am directed to convey the approval of Government to the action taken by you in the matter.

I have the honour to be,
Sir,
Your most obedient servant,

Sd. M.Venkatanaranappa

Secretary to Government,
Development Department.

Memo No.D 385 Dated, Bangalore, the 15th July 1936

Copy of the above is forwarded with compliments to Comptroller to Government in continuation of Memo No.D.7151 S.O.F.80-35-2 dated 20th May 1936.

By order,

For Secretary to Government,
Development Department.

mk.3

S.O.F. 80-35-8

Tel. Address:—"Sandal Bangalore"

SANDALWOOD OIL FACTORY,

Bangalore, 20th July, 1936.

No. 155.

21 JULY 1936

FROM S.G. SASTRY ESQ., B.A., M.Sc., F.C.S. DEVELOPMENT BRANCH,

Ag. DIRECTOR, SANDALWOOD OIL FACTORY IN MYSORE,

BANGALORE.

To

M. VENKATANARANAPPA ESQ., B.A.,

Secretary to the Government of Mysore,

Development Department, Bangalore.

S i r,

Re: Contract of Messrs. Asghar Ali Mohamed Ali.

I have the honour to state that in accordance with your letter No.D.285/S.O.F. 80-35-6 dated 13-7-1936, I have written to Messrs. Asghar Ali Mohamed Ali stating that we would be agreeable to conclude the contract only for one year for the present and that we are not inclined to accept the stipulation of their claiming the benefit of any reduction in the prices.

Regarding the Fall Clause, even though I have written to the party that the benefit of the Fall Clause cannot be given, I write to state that this is not a new concession asked for. They have been enjoying this concession all along. For example, during the calendar year 1934, Messrs. Asghar Ali entered into a contract for 10,000 lbs on 9-2-34 at Rs 12-6-5 per lb of packed oil and Rs 28/13/- per Kanauj seer of loose oil with the benefit of the fall clause. On the 7th March, the rate was reduced to Rs 27/8/- and the reduction in rate was allowed to them. On the 20th March the rate was reduced to Rs 24/- and the benefit of reduction was extended to them as per agreement.

In the terms of contract accompanying your letter No.D. 6895/S.O.F. 4-34-4 dated 15th April 1935, approving of their contract for 1935-1936, a similar stipulation is made.

Government in their Order No.D.388/SOF 80-35-7 dated 17th July 1936, have approved of our agreeing to the request of Messrs. Tata Oil Mills Co. Ltd., Bombay, to allow a reduction in their contract price in case the general rate of Rs 11/8/- per lb is reduced. Under these circumstances, I am of opinion that we should agree to this condition in the case of the present contract also. They have been one of our long standing customers and their case deserves special treatment. I request you kindly to obtain approval of Government to my accepting their stipulation.

I have the honour to be,

S i r,

Your most obedient servant,

Ag. Director.

MG/

Appendix F G—1]

SUBJECT.....

.....

.....

Section S.D.7-

File No. 80-35

Serial No. 9

Diary No. of letter replied to.....

No. D 998

To

The Director of S.D.F.

Sir,

With reference to your letter no 1355 of 20.7.36 recommending issuing trade licence to messrs Asgher Ali mo. Ali should be given the benefit of the Tariff Clause ~~as being~~ ~~been one long standing~~ ~~Contract~~, in respect of their contract for the purchase of Sandal oil - referred to in this office letter no D.285 S.D.F. 80-35 of 13.7.36. I am directed to convey the approval of Govt. to the proposal.

I have &c

for Secretary

General and Revenue Secretariat

( )

the 193

Date of issue 4.8.36

Signed by

List of enclosures.....

Copied by

Examined by.....

WD 03601—GPB—30,000—23-9-35

4.8.36

Finished

998 - dt 4.8.36

Copy to Compt re Communication of Memorandum 285 of 13.7.36

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

Dated, Bangalore, 4th August 1936.

No. 997

From

The *Secretary to the Government of His Highness the Maharaja of Mysore, Development Department.*

To

The Director of Sandal Oil Factory in Mysore.

Sir,

With reference to your letter No.155 dated 20th July 1936 recommending that Messrs: Asghar Ali Mohamed Ali should be given the benefit of the fall clause, in respect of their contract for the purchase of sandal oil referred to in this office letter No.D.285/S.O.F.30-35-6 dated 13th July 1936 I am directed to convey the approval of Government to your proposal.

I have the honour to be,
Sir,
Your most obedient servant,

Sd.M.Venkatanaranappa,

~~for~~ Secretary to Government,
Development Department.

P.T.O.

TSS

Memo No. 8998

Copy of the above is forwarded with compliments to the Comptroller to Government in continuation of Memo No.286 dated 13th July 1936.

By Order,

For Secretary to Government,

Development Department.

TSS.